

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE**

OLYMPIA HOTEL MANAGEMENT,
LLC, a Delaware limited liability company,

Plaintiff,

v.

THE BEND HOTEL DEVELOPMENT
COMPANY, LLC, an Illinois limited
liability company,

Defendant.

Civil Action No.: 2:20-CV-00136-NT

DECLARATION OF MICHAEL VANDEHEEDE

In accordance with 28 U.S.C. §1746, Michael VanDeHeede declares under the penalty of perjury:

1. I am over 18 years of age and have personal knowledge of the facts of this declaration.
2. I am the representative of the majority owner of The Bend Hotel Development Company, LLC (“The Bend”), the above-captioned defendant.
3. The Bend is a limited liability company. It was organized in Illinois on November 23, 2016, and is based in East Moline, Illinois.
4. At all times relevant to the Complaint, I acted as the Owner’s Representative for The Bend and was the primary point of contact between The Bend and Olympia.
5. The Bend was the owner of two Hyatt properties: Hyatt Place, a select service hotel, and Hyatt House, an extended stay hotel (the “Hotel”).

6. The Hotel is located on 132.61 acres of real property on the banks of the Mississippi River in East Moline.

7. Great River Hotel Development, LLC (“Great River”), formerly known as River Eagle Hotels, LLC, is the developer of that property.

8. All of The Bend’s current employees live in or near East Moline, Illinois. The Bend does not have any employees in the State of Maine.

9. The Bend is not registered as a foreign LLC in the State of Maine.

10. The Bend does not have a service agent in the state of Maine.

11. In late 2013 and early 2014, Great River (then River Eagle) was simultaneously working to build the Hotel and to find a manager for the Hotel once it was built. Great River began negotiating with Olympia Hotel Management, LLC (“Olympia”) to secure their management services for the Hotel.

12. John Schultzel, who was then the Vice President of Hotel Management, traveled to Illinois to solicit Great River’s business.

13. No Great River employees ever traveled to Olympia’s offices or Maine during the negotiations between the parties.

14. Great River and Olympia entered into two identical Hotel Management Agreements (“HMAs”), which one ultimately governing Hyatt House and the other governing Hyatt Place.

15. On May 9, 2014, the parties executed the two HMAs at the Hyatt Place hotel in Hyde Park, Chicago, Illinois. Schultzel traveled to Chicago for the signing of the HMAs.

16. In March of 2017, Great River and Olympia executed the First Amendment to each HMA, under which The Bend was assigned the interest in each HMA by Great River.

17. Multiple Olympia employees traveled to Illinois while the Hotel was under construction.

18. Timothy Schneider, Olympia's Director of Construction, made multiple trips to East Moline during the construction of the Hotel.

19. Mike Zimmerman, who was then Olympia's Vice President of Development, also made trips to East Moline, Illinois during the construction of the Hotel.

20. Kevin Mahaney, who was then Olympia's President and CEO of Olympia, traveled to Illinois and met with representatives of The Bend in Illinois on multiple occasions.

21. Article II, Section 2.1 of each HMA states that Olympia, as operator, shall be responsible for the hiring, promoting, discharging, and supervising of all staff, and all such individual and persons shall be the employees of Olympia.

22. Multiple Olympia employees also traveled to Illinois for the purpose of interviewing, hiring, and managing Hotel staff.

23. Both Schultzel and Chris Chapin, Olympia's Senior Director of Sales, made multiple trips to East Moline, Illinois, for the purpose of interviewing and hire employees for the hotel.

24. These interviews were conducted in The Bend's offices in East Moline, Illinois.

25. Olympia hired a General Manager, Director of Sales and Marketing, Inside Sales and Catering Director, Head Housekeeper, maintenance personnel, chefs, and approximately 80 other employees to staff the Hotel. Olympia was responsible for the hiring, promoting, discharging and supervising of all staff working in the Hotel.

26. Under Article III, Section 3.1 of both HMAs, Olympia was authorized to establish one or more Operating Accounts at financial instructions approved by The Bend, which would be

used to pay for any operating expenses of the Hotel. Under Section 3.2 of the HMAs, the Operating Account is to be used by Olympia to pay for the gross salary, wages, and compensation for employees working at the Hotel, the costs of utilities at the Hotel, taxes for the Hotel, expenses for marketing, advertising, and sales at the Hotel, and other costs associated with operating the Hotel.

27. Olympia was authorized to establish an Operating Account at Blackhawk Bank and Trust in Milan, Illinois. This account held funds for the operation of the Hotel. This is the only Operating Account for the Hotel.

28. Article VII, Section 7.3 of both HMAs contains identical language regarding governing law and venue:

Governing Law; Venue. The laws of the State of Illinois shall govern the validity, enforcement, and interpretation of this Agreement unless otherwise provided herein or agreed to by Owner and Operator.


29. Based upon representations on its website, Olympia identifies itself as Owner of multiple hotels in Illinois, including the SOPHY Hotel located in Chicago, Illinois and a Hyatt Place hotel located in Chicago, Illinois. Olympia also identifies itself as Owner of Mesler Kitchen, located in Chicago, Illinois.

30. I am familiar with **Exhibit A** to Olympia's Complaint, which is a true and accurate copy of a Hotel Management Agreement between River Eagle and Olympia, for the management of an Extended Stay hotel in East Moline, Illinois. In 2017, Great River's interest in this Agreement was transferred to The Bend.

31. I am familiar with **Exhibit B** to Olympia's Complaint, which is a true and accurate copy of a Hotel Management Agreement between River Eagle and Olympia, for the operation of a Select Service Hotel in East Moline, Illinois. In 2017, Great River's interest in this Agreement was transferred to The Bend.

32. **Exhibit 1** to this Declaration is a true and accurate copy of the Amended Complaint filed by The Bend against Olympia in the Illinois Circuit Court of the Fourteen Judicial Circuit in Rock County, Illinois.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 29, 2020.



Michael VanDeHeede
Owner's Representative
The Bend Hotel Development Group, LLC